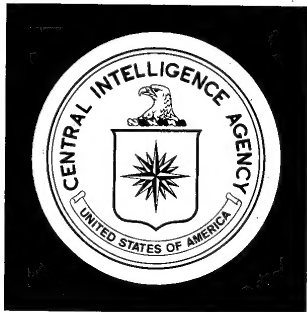




The President's Daily Brief

4 January 1973

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~~*Top Secret*~~

FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

4 January 1973

PRINCIPAL DEVELOPMENTS

The week-old Australian dockworkers' strike against US shipping is posing a difficult problem for Prime Minister Whitlam. (Page 1)

Libyan President Qadhafi [redacted] threatened to cut off subsidies to Egypt if Cairo shows interest in a separate settlement with Israel. (Page 2)

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Egypt has suspended all university classes in an effort to contain the five-day-old student protests. (Page 3)

The Bangladesh Government has been unresponsive to US requests for better protection of the USIS building in Dacca, part of which has been occupied by student demonstrators since Tuesday. (Page 4)

Japan's claim to Soviet held islands north of Hokkaido is likely to remain a contentious issue between Tokyo and Moscow this year. (Page 5)

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AUSTRALIA

The week-old dockworkers' strike against US shipping may be gaining momentum. The dockworkers' union decided yesterday to continue to refuse their services, and leaders of other unions are agitating for a general strike against all US commercial interests if a Vietnam cease-fire is not signed by the end of January.

Prime Minister Whitlam will find it extremely difficult to deal with the current strike lest he precipitate serious problems with his Labor Party's left wing. Two cabinet ministers have already indicated sympathy for the strikers by sharply criticizing recent US Vietnam policy. Whitlam's own reservations about pursuing the war in Vietnam are also well known, even though he has emphasized Australia's intention to maintain close ties with the US.

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LIBYA-EGYPT

President Qadhafi recently threatened to cut off subsidies to Egypt if Cairo does not steadfastly reject any American initiative to resolve the Arab-Israeli impasse

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Disagreement between the two leaders was evident in Qadhafi's speech earlier this week that has drawn some press attention. In it he accused Egypt and the other Arab states of adopting attitudes that would lead them ultimately to make separate settlements with Israel. Qadhafi criticized all Arab regimes for their inability to join forces against Israel, and he implicitly blamed Egypt for using this failure as an excuse to pursue an independent settlement. Qadhafi admitted that it would be better to continue the current stalemate than to undertake prematurely a war that would be doomed to fail, but he warned that negotiating with Israel means abandoning the Palestinian cause. Qadhafi in no way opened any doors to a new policy, as some press treatment has suggested.

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EGYPT

Yesterday the government suspended all university classes in an effort to contain the five-day-old student protests. The demonstrations began at Cairo University, and had spread to other campuses in Cairo, Alexandria, and Asyut in the south. The students initially protested the arrest of a number of students, but demands had moved to broader issues such as internal freedoms and war with Israel. President Sadat sought to placate the students by promising speedy disposition of the cases of those initially arrested.

The government had earlier hoped that the protests could be kept within manageable proportions until the mid-year break began on 11 January. Although closing the universities will help in restoring order, the students are not likely to disperse immediately and further protests may occur within the next few days.

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BANGLADESH

Student demonstrators have continued to mill around the USIS building in Dacca for the past several days, protesting US bombing in Vietnam and the killing by police of two demonstrators on 1 January. Demonstrators have occupied a portion of the building since Tuesday, when police and paramilitary personnel were withdrawn. The government has been unresponsive to official US requests for better protection and has indicated that it is reluctant to issue any public expression of regret for the damage already done.

The government apparently believes that strong action against the protestors could have serious political repercussions for itself. These fears appear exaggerated. Leftist opposition parties have considerable support among students and can generate further anti-government and anti-American demonstrations, but they do not seem to pose a serious threat to the regime. The ruling Awami League, despite some loss of popularity over the past year, is still the country's largest and strongest party.

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USSR-JAPAN

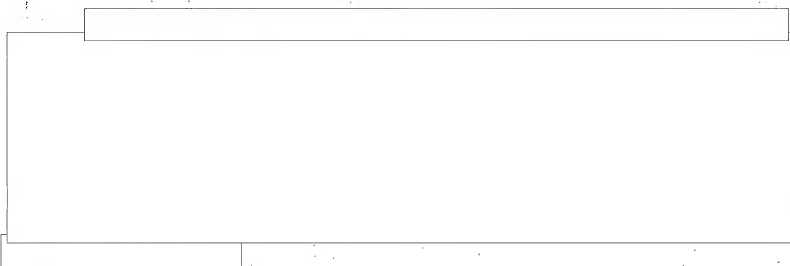
In his speech honoring the USSR's 50th anniversary last month, Soviet party chief Brezhnev noted that "important Soviet-Japanese negotiations" on concluding a peace treaty are to take place this year. Brezhnev warned, however, that the talks will be sterile unless Japan is willing to work toward a "mutually acceptable understanding" on outstanding issues.

The main bone of contention remains Tokyo's claim to the islands north of Hokkaido that the USSR occupied at the end of World War II. Brezhnev wants the Japanese to ease their all-or-nothing attitude on return of the "Northern Territories," but there is no sign that the Tanaka government is prepared to soften Japan's position in the near future.

The Soviets apparently are suspicious that the Japanese are seeking to use their improved relations with Peking as a means of pressuring the USSR into yielding on the territorial issue. Although the Soviets last year gave indications that they were considering returning at least some of the disputed islands, they are now taking an uncompromising line. China's open support for Tokyo's territorial claims has made it even more difficult for the Soviets to be flexible. Soviet leaders, in fact, may have reached the conclusion that even returning all the islands would not earn Moscow any enduring advantages in the growing competition with China for influence in Japan.

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SOMALIA



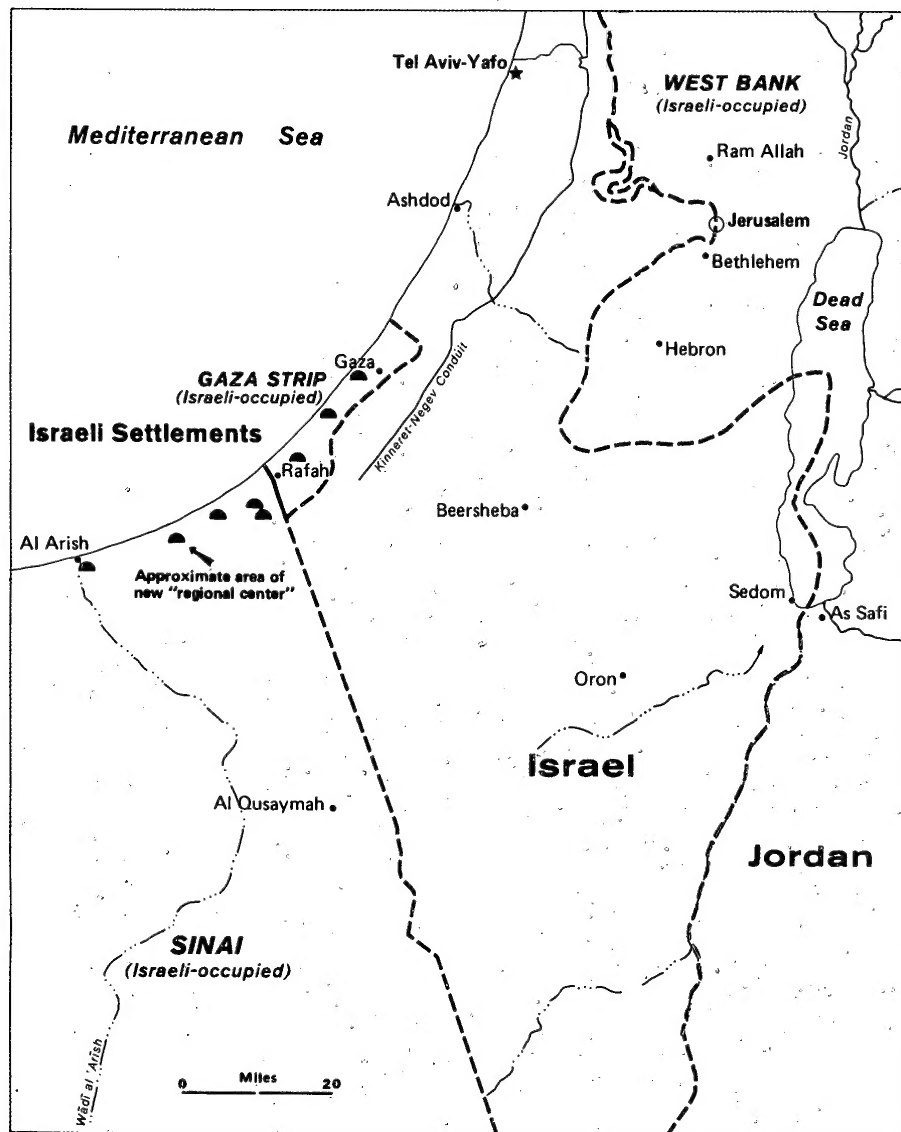
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NOTES

Venezuela: President Caldera's chief oil negotiator, Julio Sosa Rodriguez, does not believe that a long-term energy agreement with the United States can be concluded before general elections next December. Sosa has told Ambassador McClintock that such other tasks as arranging Venezuela's entry into the Andean Pact will occupy his time for the next several months. Sosa and other Venezuelan officials are evidently concerned, however, that negotiations with the US might become a political football in the election campaign. Several leftist political leaders have already signaled that they will make an issue of any negotiations dealing with the extensive petroleum reserves in the Orinoco Tar Belt in eastern Venezuela.

Israel: The cabinet has approved the establishment of a new "regional center" in occupied northeastern Sinai just south of the Gaza Strip. Tel Aviv plans to settle some 350 families and to set up light industries there in the next two years. The establishment of this additional Israeli settlement in northeastern Sinai is in keeping with Israel's expressed desire to sever the Gaza Strip, with its 300,000 Arab refugees, from Sinai.

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